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The President's Daily Brief

10 May 1969

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~~*Top Secret*~~

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I. MAJOR PROBLEMS

VIETNAM

We offer some first thoughts on what may be behind the remarks of Tho and Thuy to Ambassador Lodge on Wednesday, a rationale that may also pertain to the new Front peace proposal. The Communists seem to be saying they believe US efforts to date have been aimed at buying time so that the war can be turned over, at least in part, to the South Vietnamese. They do not believe the US is genuinely interested in bringing the war to an early end.

Thuy said "the best thing would be to end the war, the sooner, the better," and Tho remarked that neither the US nor North Vietnam has any interest in protracting the war. In making the point that the war ought to be ended soon, Tho went on to admit that North Vietnam has lost men and resources, just as the US has.

These remarks strike us as further evidence that Hanoi is quite concerned that the US concept of Vietnamizing the war may buy the allies considerable time and thus stretch out the negotiations further than Hanoi had anticipated. The Communists may have decided to accelerate the pace of the negotiations in order to put pressure on the US to make some early concessions.

SOVIET AFFAIRS

Czech party leader Husak, in an article in Pravda which was probably intended exclusively for Soviet readers,

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charged that nonparty "anti-Socialist forces" had generated a crisis following the replacement of Novotny in order to overthrow the party leadership. This attack, which by implication includes the Dubcek regime for failing to curb the threat, is the strongest by any top leader since the intervention.

The fact that this article was not republished in Czechoslovakia underscores the weakness of Husak's position at home. To overcome this weakness, Husak is working toward an extensive personnel shakeup in party and government. This will not be easy.

* * *

We do not see any political significance to the recent rash of deaths of Soviet generals announced in the Soviet press. Two of these generals, who were said to have perished "tragically"--a phrase usually denoting a violent death by accident--may have died in a single accident. Because of dissimilarities in the ages, status, and professional positions of the others, however, there is little reason to suppose their deaths were linked.

Since the first of the year, 46 generals have died, including the nine announced in the past two weeks, but few of the others were picked up by the Western press. Furthermore, this figure is not much higher than the 37 who had died by this time last year.

EUROPE

There is nothing significant to report.

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MIDDLE EAST

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA

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PERU

The government has asked International Telephone and Telegraph to reduce its holdings in the Peru Telephone Company from 67 to 49 percent. The government would pay for the shares in local currency; ITT would then be required to invest the money in Peru. The current contract states that the government must either buy out ITT by 12 August or permit it to retain its shares until 1971.

Earlier discussions aimed at the "Peruvianization" of the telephone company hinted at expropriation if an agreement is not worked out.

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